



**STATE OF CONNECTICUT
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION**

**Appropriations Hearing – February 20, 2013
Presentation by Commissioner Daniel C. Esty**

- The Department of Energy and Environmental Protection (DEEP) is a consolidated agency with a dual mission:
 - Conserve and protect the state's natural resources and environment
 - Provide cheaper, cleaner, and more reliable energy for the citizens of Connecticut.
- At the direction of the Governor, one of my main goals as Commissioner has been to transform the way DEEP does business. We have been increasing the efficiency and effectiveness of our delivery of services to the public, so that we may become a model 21st Century energy and environment regulatory agency.
 - We are constantly trying to improve our performance and create a lighter regulatory burden – while still maintaining the highest standards.
- As we have transformed, we have also attempted to integrate our environmental policies and programs with our energy policies and programs, and have sought synergies wherever possible.
 - For just one example, consider the development of a hydroelectric dam on one of our fast-moving rivers. This development project could potentially raise questions on renewable energy and zero emissions credits, emerging energy technologies and battery storage, fisheries, fishing, boating and recreation, land management, water quality, and invasive aquatic species.

- Just yesterday, the Governor finalized Connecticut's Comprehensive Energy Strategy (CES). For the first time in Connecticut, we have a Strategy that sets out a clear path toward cheaper, cleaner, and more reliable energy for Connecticut's citizens. The Strategy will lower consumer costs and create jobs by:
 - Bringing down energy costs for both residents and businesses through expanded efficiency programs and promoting innovative and cost-effective renewable power
 - Expanding access to low-cost natural gas, which will reduce consumer costs, make the state's businesses more competitive, and create good clean energy jobs
 - Creating a platform for the use of alternative fuels and vehicles to help reduce energy use in the transportation sector.
- Today, I am here with you to focus our attention the Governors' Budget that uses improved processing efficiency and state agency consolidation as two main drivers to help reduce costs and improve the delivery of state government services.
- As a merged agency of Energy and Environmental Protection, DEEP has embraced LEAN -- a processing efficiency approach borrowed from manufacturing (Toyota and others) -- to help reduce permit processing time and to improve quality.
 - About 50 staff-led teams have taken apart their permitting and enforcement processes and business operations, eliminating unnecessary and wasteful steps.
 - LEAN improvements have dramatically improved decisionmaking and permitting processing times.
 - In the Office of Long Island Sound Programs, two LEAN teams have reduced the current average process time for Certificates of Permission from greater than 500 days to only 30 days.
 - In the Underground Storage Tank inspection group, a LEAN team reduced the time from inspection to completion from 47.6 days to 1.4 hours, using in-the-field tablet computers and printers.

- Streamlining our processes have saved time and money for the regulated community, and have allowed us to re-deploy our limited staff resources toward higher and better uses of their time and talents.
- Our Agency has also embraced an Information Technology (IT) transformation.
 - Improved IT platforms will enable the regulated community and public to do business with us efficiently by filing and accessing documents through the web, instead of sending in an application by mail, or coming to search paper records at our Hartford office. The regulated community will also do business with us more effectively, because our smart “Turbo Tax”-style eGovernment systems will lead to more complete applications or submissions, with fewer filing errors.
 - Our Parks Division is utilizing social media and other technological investments (credit card readers, for example) to add efficiencies to our operations - allowing easier and faster access to the public into our recreational areas while moving toward a system that relies on less staffing in our ticket booths.
 - Our IT transformation has been driven by the results of our staff-lead LEAN teams – nearly all of which identified an IT solution to make their process become faster and more effective.
 - The build-out of our new IT platforms will be supported by bond funds made available to DEEP by the Governor’s IT Investment Committee.
- I would like to take this opportunity to show how our LEAN and IT transformation efforts have resulted in real “Bottom Line” savings.
 - On page B-56 of the Budget Book under “RECOMMENDED SIGNIFICANT CHANGES,” and under the “Reductions to Current Services FY 2014 FY 2015” is a line that states “Reduce Expenses as a Result of Information Technology Investment.”
 - We have estimated that as a result of our suite of planned IT upgrades over the next few years, we will see reduced document storage, paper, telephone and mailing costs on the order of \$205,000 in FY2014 and \$255,000 in FY2015.
 - Significant additional savings from our IT investments are projected for future years – as we are able to meet the every-growing regulatory demands (particularly on the

Environmental Quality side of the agency) with a smaller workforce (due to attrition).

- We are also strategically investing in energy efficiency and renewable energy to achieve reductions in operating budgets through reduced energy costs.
 - DEEP and the Department of Administrative Services have been administering the Governor's statewide Lead By Example program that seeks to reduce energy use in State buildings by 20% by 2018.
 - This program has already committed \$10.8m to 44 different energy efficiency projects across state buildings (Corrections, Education, DAS, DSS, etc.), with an average payback period of 5.7 years.
 - The program has also developed a standardized energy performance contracting program to assist municipalities and state agencies in their pursuit of energy savings.
 - One of DEEP's own Lead By Example projects involves efficiency upgrades to our Quinebaug Fish Hatchery.
 - DEEP is investing more than \$2m in energy upgrades, such as: night temperature setbacks, motion sensors, replacement destratification fans, lighting retrofit, new liquid oxygen system, well pump motor upgrades, variable frequency drives on individual wells, water flow improvements, and a more efficient water recirculation system.
 - DEEP is also investing in renewable energy technologies – e.g., solar photovoltaic, solar thermal, and geothermal systems – at our state parks to achieve cost savings and demonstrate the potential of these innovative technologies. Some examples include:
 - Solar thermal installations at the Rocky Neck and Hammonasset campgrounds
 - Solar lighting at Hammonasset
 - Geothermal and photovoltaic project currently in design for Meigs Point Nature Center at Hammonasset
 - Photovoltaic installation being designed for the new pavilion at Sherwood Island State Park

- A final item worth briefly mentioning is the transfer of care and control of the Five CRRA Post-Closure Landfills to the state, which results in an increase to the DEEP budget of \$1,105,091 in FY2014 and \$1,108,297 in FY2015.
 - The approximately \$1.1m per year will support one DEEP staff person, outside consultants, equipment maintenance, environmental testing and monitoring, and utility costs at five post-closure landfills (Shelton, Wallingford, Waterbury, Hartford, and Ellington).
 - This change in CRRA's and DEEP's roles arises from the Governor's Task Force on Recycling and the Governor's broader initiative to transform waste management into materials management, in light of the changed economics of waste.
 - Connecticut was a leader 30 years ago, when we built the waste-to-energy infrastructure to avoid sending our waste to in-state and out-of-state landfills.
 - We can be a leader again by capturing the economic value of waste streams that are currently being burned.
- Thank you for allowing me the time to give this brief overview. I look forward to continuing to work with the Committee to
 - Improve permit processing time without sacrificing our high environmental and safety standards
 - Integrate our energy and environmental protection policies and programs
 - Use LEAN techniques and Information Technology tools to improve the way we do business and save the taxpayers money
- I am happy to take questions.

